

## ORDINANCE NO. 46-117

AN ORDINANCE EXEMPTING PROPERTY FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO ARTICLE 11, SECTION 13, OF THE KANSAS CONSTITUTION; PROVIDING THE TERMS AND CONDITIONS FOR AD VALOREM TAX EXEMPTION; AND DESCRIBING THE PROPERTY OF EXCEL MANUFACTURING, INC., SO EXEMPTED.

WHEREAS, Article 11, Section 13, of the Kansas Constitution provides that the governing body of the City may, by Ordinance, exempt from all ad valorem taxation all or any portion of the appraised value of certain property meeting the requirements of the constitutional provision; and

WHEREAS, the City of Wichita has adopted an Economic Development Tax Exemption Policy by which the City will consider granting tax exemptions upon a clear and factual showing of direct economic benefit including the creation of additional jobs or the upgrading of existing jobs and the stimulation of additional private investment; and

WHEREAS, Excel Manufacturing, Inc., requests an ad valorem tax exemption on a proposed expansion project of 81% for a five year term on certain new manufacturing equipment; and

WHEREAS, Excel Manufacturing, Inc., has operated within the City for more than thirty years as a manufacturer of precision machined products; and

WHEREAS, Excel Manufacturing, Inc., proposes a \$1,019,535 expansion by the purchase of machinery and equipment to be located at 3258 S. Hoover Road in southwest Wichita; and

WHEREAS, the City Council of the City of Wichita has reviewed the application and supporting documentation supplied by Excel Manufacturing, Inc., has reviewed the impact statements provided by Staff, and the Cost-Benefit Analysis by The Wichita State University and has conducted a public hearing on such application on September 16, 2002; and

WHEREAS, the City Council of the City of Wichita has found and determined:

1. Excel Manufacturing, Inc., is an existing business located in Wichita, Kansas, and intends to expand its business by the purchase of certain personal property.

2. The purchase of personal property for which exemption is given occurred after September 16, 2002. No exemption will be given for purchases, which will occur before that date.

3. Such property purchases are to be used exclusively for manufacturing articles of commerce.

4. By such purchases, Excel Manufacturing, Inc., will create new employment for 6 employees within five years after the start of the project.

5. Tax exemption will be given only for the purchase of certain personal property as reflected in Exhibit I attached hereto.

6. The property on which exemption is given will meet the requirements of the Kansas Constitution and the City of Wichita's Business Incentive Policy.

7. Such ad valorem tax exemption is in the public interest providing for economic growth and benefit including the creation of jobs and stimulating additional private investment.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WICHITA, KANSAS,

1. The City Council for the City of Wichita, Kansas hereby makes a factual determination that an ad valorem tax exemption of the type requested by Excel Manufacturing, Inc., is required to retain jobs in the State of Kansas, and that the property to be exempted is to be used exclusively for manufacturing articles of commerce.

2. Excel Manufacturing, Inc., is hereby granted an ad valorem tax exemption of 81% for five years on the purchase of personal property on an expansion project started after September 16, 2002, and located within the Wichita City limits at 3258 S. Hoover Road in southwest Wichita, at an estimated cost of \$1,019,535, as further defined in Exhibit I attached hereto. Such exemption to begin in the calendar year after the calendar year in which the expansion is completed.

3. The Department of Finance shall be responsible for monitoring the performance of Excel Manufacturing, Inc., and shall provide annual reports on such performance.

4. Such exemption is subject to verification that the level of employment at the time of the completion of the project is at least equal to the level of employment as stated in Excel Manufacturing, Inc.'s written request for ad valorem tax exemption as presented to the City Council and to administrative staff and dated February 9, 2004, and as stated in Excel Manufacturing, Inc.'s annually approved EEO/AA Plan.

5. Such exemption may hereafter be withdrawn by the City Council upon a finding that Excel Manufacturing, Inc., no longer is entitled to such exemption in accordance with the Wichita Business Incentive Policy and Application of the City of Wichita.

6. The City Council may, at its discretion, require Excel Manufacturing, Inc., to return all funds exempted if there is a failure to meet the level of employment and EEO/AA goals as

presented to the Council and as stated in Excel Manufacturing, Inc.'s application and EEO/AA Plan.

7. Upon finding that Excel Manufacturing, Inc., has moved or relocated its operations as described in the tax exemption request or application outside the Wichita City Limits the City Council shall require the repayment of all prior amounts of taxes that have been exempted and shall withhold any future exemption of taxes on Excel Manufacturing, Inc.'s expansion project. All repayments shall be redistributed to the local taxing authorities at the proper taxing rates.

8. This Ordinance shall be in full force and effect from and after its passage and publication in the official City paper.

Passed by the governing body of the City of Wichita, Kansas this 6th day of April, 2004.

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Carlos Mayans, Mayor

ATTEST:

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Karen Schofield, City Clerk

Approved as to Form:

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Gary E. Rebenstorf, City Attorney

Excel Manufacturing, Inc.

**Exhibit I**

**Equipment Purchases:**

**MAKINO MAG 3 Equipment And Ancillary Equipment**

Makino MAG 3 5 Axis Machining Center	\$866,667
Shrink fit Tool	11,759
Computer for LK-DMIS for CMM	2,123

**Tooling for MAG 3**

Tooling	\$14,730
Collet Set	1,213
Threadmill	488
Dril Bushing	1,376
Dril Bushing	561
Tooling	3,075
Tooling	8,568
Tool Holder	723
Slit Saw	419

Tool Holder	874	
Tooling	10,311	
Grinder, Inspect Kit, Misc. Tooling	491	
Waterloo Project Center	200	
Import Socket Set	77	
Collet Set	398	
Spanner Wrench	<u>272</u>	43,776

**Air lines for MAG 3**

Propane Tank, Deep Box	1,401	
Copper Tube	1,325	
Coupling, Tee, Ball Valve	222	
Propane Kit, Conduit Hanger	91	
Beam Clamp, Conduit Hanger	37	
Beam Clamp, Conduit Hanger	18	
Ball Valve, Coupling	144	
Hanger	46	
Copper Adapter	130	
Copper Tube	598	
Filter, Tee, Bushing, Manifold	153	
Sling, Tuff Edge	51	
Hose, Coupler, Nipple	1,042	
Pipe Clamp, Iron Beam Clamp	42	
Cond Hanger	<u>21</u>	5,321

Electrical wiring for MAG 3		20,000
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Concrete pad for MAG 3	42,813	
Transformer Pad	<u>760</u>	43,573

Renishaw MP10 Probing System		6,500
Rambaudi Riser Blocks		<u>19,816</u>

<b>Total Expansion Project</b>		<b>\$ 1,019,535</b>
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